

## Message Text

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PAGE 01 NEW DE 02258 151249Z

ACTION EB-08

INFO OCT-01 NEA-10 ISO-00 AID-05 CIAE-00 COME-00 FRB-01

INR-07 NSAE-00 USIA-15 TRSE-00 XMB-04 OPIC-06 SP-02

CIEP-02 LAB-04 SIL-01 OMB-01 CEA-01 STR-04 ABF-01

DODE-00 PM-04 H-02 L-03 NSC-05 PA-02 PRS-01 SS-15

/105 W

-----151309Z 047438 /42

R 151054Z FEB 77

FM AMEMBASSY NEW DELHI

TO SECSTATE WASHDC 1271

INFO AMCONSUL BOMBAY

AMCONSUL MADRAS

AMCONSUL CALCUTTA

UNCLAS NEW DELHI 2258

E.O. 11652: N/A

TAGS: EFIN IN

SUBJECT: INDIA'S FOREIGN EXCHANGE RESERVES

REF: NEW DELHI 791

1. INDIA'S TOTAL RESERVES WERE DOLS2,788 MILLION AS OF END-OCTOBER 1976 AND ARE ESTIMATED BY THE EMBASSY TO BE DOLS3,203 MILLION AS OF ND-JANUARY 1977. AT THE END OF JANUARY 1977, BORROWINGS FROM IMF WERE DOLS468 MILLION. NET RESERVES ROSE BY DOLS217 MILLION IN NOVEMBER 1976 FOLLOWED BY AN INCREASE OF ONLY DOLS54 MILLION IN DECEMBER 1976. THE REASON FOR SUCH A SMALL INCREASE WAS DUE TO MAJOR LOAN REPAYMENTS AT THE END OF THE YEAR. THE INCREASE IN JANUARY 1977 WAS DOLS145 MILLION. IN JANUARY 1977, DOLS8.4 MILLION WORTH OF GOLD WAS RETURNED TO INDIA BY THE IMF RAISING TOTAL GOLD HOLDINGS TO DOLS288 MILLION.

2. INDIAN RESERVES ARE AS FOLLOWS: (DOLS MILLION)

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FOREIGN EXCHANGE	GOLD	SDRS	TOTAL RESERVES	USE OF FUND	NET CREDIT	RESERVES
A)	B)	C)	D)			

OCT 1976	2,290	281	217	2,788	469	2,319
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NOV 1976	2,498	279	226	3,003	467	2,536
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DEC 1976(EST)2,560 282 220 3,062 472 2,590

JAN 1977(EST)2,697 288 218 3,203 468 2,735

A) RUPEE-DOLLAR CONVERSIONS BASED ON END-MONTH DOLS/STERLING CROSS RATE IN LONDON AS FOLLOWS: RS. 8.84 END-OCTOBER; RS. 8.88 END-NOVEMBER; RS. 8.93 END-DECEMBER, 1976; AND RS. 8.87 END-JANUARY 1977.

B) WHILE GOLD HOLDINGS OF THE RESERVE BANK OF INDIA REMAINED CONSTANT AT RS. 1.83 BILLION UNTIL DECEMBER 1976, ITS VALUE IN DOLLARS IS DETERMINED BY U.S. DOLS/SDR RATE AT THE END OF EACH MONTH. THE JANUARY 1977 FIGURE INCLUDES DOLS\$8.4 MILLION WORTH OF GOLD TRANSFERRED BY IMF TO INDIA.

C) FIGURES IN DOLLARS FOR OCTOBER-DECEMBER 1976 TAKEN FROM FEBRUARY 1977 INTERNATIONAL FINANCIAL STATISTICS (IFS). THE DOLLAR VALUE FOR JANUARY 1977 REFLECTS THE CHANGE IN THE U.S. DOLS/SDR RATE ASSUMING NO CHANGE IN THE NUMBER OF SDRS HELD BY INDIA SINCE END-DECEMBER 1976.

D) USE OF FUND CREDIT IN SDRS WAS 406.3 MILLION END-OCTOBER, END-NOVEMBER, AND END-DECEMBER 1976. THE DOLLAR FIGURE FOR END-JANUARY 1977 REFLECTS THE CHANGE IN THE U.S. DOLS/SDR RATE ASSUMING NO CHANGE IN THE NUMBER OF SDRS HELD SINCE END-DECEMBER 1976. DOLLAR/SDR CONVERSIONS BASED ON END-MONTH DOLS/SDR RATE UNCLASSIFIED

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AS FOLLOWS: DOLS1.15471 END-OCTOBER; DOLS1.14982 END-NOVEMBER, DOLS1.16183 END-DECEMBER 1976, AND DOLS1.15233 END-JANUARY 1977.SCHNEIDER

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## Message Attributes

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**Review Markings:**  
Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
22 May 2009  
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